

ST 03-0194-GIL 12/19/2003 COIN-OPERATED AMUSEMENT DEVICES

If a slot machine operates on tokens and returns no money or property or right to receive money or property, it qualifies as a coin operated amusement device. See 35 ILCS 510/1. (This is a GIL.)

December 19, 2003

Dear Xxxxx:

This letter is in response to your letter dated October 18, 2003, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

On October 17, 2003, I spoke with PERSON of The Illinois Dept. of Revenue, Coin Operated Amusement Device Dept. I have a slot machine that operates with tokens of no monetary value. Would it be possible for me to put this machine in my business establishment and sell tokens for customers to play the machine for amusement purposes only? PERSON said that he did not see any problems as long as the coins had no monetary value, and is of the opinion that all I need to do is to apply for a State Amusement Device Decal. I believe he said the cost of the license Decal is \$30.00. Please advise me on this matter.

Thank you for an anticipated prompt response.

The Coin-Operated Amusement Device and Redemption Machine Tax Act at 35 ILCS 510/1 et seq., provides that "there is imposed, on the privilege of operating every coin in the slot operated amusement device, including a device operated or operable by insertion of coins, tokens, chips or similar objects, in this State which returns to the player thereof no money or property or right to receive money or property, and on the privilege of operating in this State a redemption machine as defined in Section 28 2 of the Criminal Code of 1961, an annual privilege tax of \$30 for each device for a period beginning on or after August 1 of any year and prior to August 1 of the succeeding year."

If a slot machine operates on tokens and returns no money or property or right to receive money or property, it qualifies as a coin-operated amusement device. As stated above, there is a privilege tax of \$30.00 per year for each such device.

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote  
Associate Counsel

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